



FREQUENTLY ASKED QUESTIONS

Affordable Homes in South Orange County

What is an Affordable Home?

An affordable home is one that allows families to have the best quality of life possible in relation to their income. The nationally recommended standard for homeowners and renters is to pay no more than 30 percent of their annual income on housing¹. Lower household income families who pay more than this percentage may be unable to afford food, clothing, medical care and other basic necessities¹.

Who needs Affordable Homes?

Affordable homes are for recent college graduates, teachers, construction workers, police officers, auto mechanics, firefighters, nurses, cashiers, medical and dental assistants, receptionists, food service personnel, small business owners and many others. Orange County is the nation's eighth most expensive housing region with a median home price topping \$500,000, so there is a tremendous demand for affordable homes in our local communities³.

Why are Affordable Homes important?

Ensuring our children, family members and neighbors have a home in which to thrive and prosper is imperative. It strengthens the proven connections between stable housing and jobs, the economy, regional competitiveness, education, health, public safety and other important facets of life that make south Orange County desirable. For a snapshot of regional facts, check out the Orange County Workforce Housing Scorecard at www.ocbc.org.

How do cities benefit by offering a range of housing types and prices?

The availability of affordable home choices for a wide range of households is a vital feature of a well-balanced community like south Orange County. The location of homes in relation to jobs, schools, shopping, transportation and other services significantly impacts an area's quality of life. Research demonstrates that affordable homes often boost spending and employment in local communities⁴. They can act as an important source of civic revenue through increased jobs and sales tax, as well as improve a region's economic competitiveness. They are proven to reduce traffic, improve air quality, enhance community health and well-being, and increase volunteerism⁵. Affordable homes can also help avoid costly public expenditures associated with homelessness, people with special needs and more. They also offer attractive housing options for families just starting out.

What do Affordable Homes look like, and how do they integrate into our community?

Contemporary affordable homes are designed to fit the character of our neighborhoods through high quality construction and professional management. Today's affordable homes in south Orange County are beautifully designed and look similar to other residential communities, including upscale neighborhoods.

How are Affordable Home properties managed, and who manages them?

Properties are typically supervised and run by an experienced property management company specializing in the affordable home sector. The property manager is responsible for qualifying income levels of potential tenants, ensuring family sizes are appropriate for the residence, enforcing maintenance standards, overseeing common areas and other functions. This management ensures the quality of each house, the quality of life for the residents and the overall quality of the surrounding community are maintained at the highest levels.

How are locations for Affordable Homes selected?

The reasons particular locations are selected are as varied as the communities that build them. Locations are often chosen based on access to schools, shopping, public transportation and other economic factors. Another reason is to meet state mandates that require a municipality to allocate a certain percentage of affordable residences within the community (go to www.hcd.ca.gov to learn more). Finding locations in south Orange County is becoming increasingly more challenging since available land for new development is becoming harder to find.

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How does someone access an Affordable Home property?

Multiple factors such as income, family size and employment determine access to affordable homes. However, the primary factor is where a person's household income falls within the area's median income level. Households that earn up to 80 percent of a region's median family income for four may be considered for an affordable home, though this percentage can be higher depending on the area. In Orange County, the median household income is \$87,000. Thus, a family of four with a \$77,050 annual household income or less can potentially access a home if other factors such as credit and savings meet quality standards. For more information on income brackets for affordable homes, visit www.ochousing.org.

Do people in Affordable Homes move often?

No. People are more likely to live in homes that provide them with a good quality of life. Studies consistently demonstrate that when mortgage payments or rents are guaranteed to remain stable – which is usually the case with an affordable home – people move less frequently⁶. This same research also shows that residents living in affordable homes invest in their neighborhood and community just as much as anybody else.

How do Affordable Homes impact property values?

Affordable homes in south Orange County are designed and built with sensitivity to the architectural and aesthetic standards desired by the larger community. Coupled with proper management and maintenance, these properties often enhance value. No study in California has ever shown that affordable homes negatively impact property values.

Do Affordable Homes impact traffic, community services and public infrastructure?

The impact is actually much less than most single-family homes, according to the American Housing Survey and U.S. Census Bureau. That's because people who live in affordable homes own fewer cars and drive less. Also, these residents have fewer school-aged children than the average single family home.

How are Affordable Homes developed and funded?

Affordable homes are developed, owned and operated by private owners who receive incentives in exchange for offering homes at reduced rates to accommodate a wide range of family incomes. Many affordable homeowners utilize mortgage loans with special interest rates, down-payment assistance and other creative financing options (learn more at www.affordable-housing.org/). In south Orange County, these homes are a well-integrated part of our community.

Why should there be public support for Affordable Homes?

Home is the bedrock of a strong America. Rallying together around the power of home enables our families and communities to prosper. Public support plays a significant and valuable role in ensuring the availability and quality of affordable homes. This includes supporting policies, programs and incentives that assist private developers locate and finance affordable homes. Without this help, it would be significantly more challenging for developers to build the type of high quality residences that meet a family's needs and add value to our south Orange County community.



SOUTH ORANGE COUNTY ALLIANCE FOR HOUSING OUR COMMUNITIES

SOCAHOC is an alliance of housing, civic, health care, non-profit and business organizations and community members that provides resources and support for south Orange County's affordable home needs.

1. U.S Census Bureau; 2. U.S. Department of HUD; 3. DataQuick Information Systems; 4. Center for Housing Policy;
5. California Department of Housing and Community Development; 6. California Department of Housing and Community Development